

# Rx for Medicaid billers

## A bulletin for provider claims shops

Volume 1, Number 1 -- August 26, 2004

## MOST COMMON MISTAKE ON MEDICAID CLAIMS? INCORRECT CLIENT IDENTIFICATION NUMBERS

**OLYMPIA, Wash.** – The Medical Assistance Administration (MAA) of the Department of Social and Health Services (DSHS) has launched a year-long initiative to increase the number of so-called “clean claims.” Clean claims are those that pass through the Medicaid Management Information System (MMIS) for prompt payment – as opposed to the thousands of claims a day that are flagged by the system and delayed. In some cases, MAA staff can resolve the problem. But in most cases, the claim must be returned to the biller for repairs.

An important component of this initiative – which is called “Right The First Time,” or RTFT – is education, both inside and outside MAA. For example, the most frequent reason that claims are suspended inside MMIS is simply an incorrect client identification number. In this first bulletin, RTFT looks at Patient Identification Codes (PIC), how they are used, and how they go wrong.

**GETTING THE PIC RIGHT:** The MMIS system will not accept an incorrect PIC number. Rule No. 1 is to get the PIC right. Here are the reasons for PIC errors:

► It can occur with simple operator error – keying in the wrong number – or it may happen when a billing clerk has all the information from the client EXCEPT the actual medical ID card (also known as a coupon) and tries to construct the PIC from other records.

► A second major source of PIC errors can come if billing clerks fail to type in apostrophes and dashes – or if they don’t recognize that last names with fewer than five letters must be filled out with hard spaces.

► Some practice management software may also trip up provider shops even though the billing clerks follow all the rules. In some cases, the software automatically strips out hard spaces or refuses to accept characters like apostrophes and dashes in the claim format. In the training MAA provides to billing offices, we stress the need for providers to follow through and see whether their software or clearinghouse has addressed this issue. Most software vendors can resolve this alpha-numeric character issue if they are given the facts.

**WHAT IS THE PIC?** The PIC is a special code, unique to MAA that represents personal information about the patient. It appears on every Medicaid client’s identification card (or “coupon,” as it is also called). Here’s your decoder ring:

- The first two characters of the PIC are the first and middle initial of the patient. If the patient has no middle initial, it is replaced with a dash (-).
- The next six characters are the month, day and year (MMDDYY) of the client’s birth.
- The next five characters are the first five characters of the client’s last name. (NOTE: Apostrophes and hyphens count. They must be used. Also: names with fewer than five letters also need to have the missing letters filled in with a hard space.
- The last character of the PIC is a tiebreaker created for clients who by coincidence (or twin or triplet births) wind up with identical PIC numbers.

*Right  
The  
First  
Time*

**r  
t  
f  
t**

**PAPER IS NOT THE ANSWER:** Some billing shops have jumped to the wrong conclusion. They decided the electronic billing form was the problem, and their solution was to send in paper claims instead. The paper claim may circumvent the apostrophe or missing hard space problems, but it also requires much attention, manpower and time at MAA to adjudicate. This, in turn, impacts the overall Medicaid claims-handling capacity and can slow the processing of thousands of claims overall.

**QUICK AND EASY ACCESS TO CORRECT PIC NUMBERS:** The fastest and easiest system to get the PIC right is to get registered with ACS EDI GATEWAY so your office can use the 270/271 Eligibility and Response System. The 270/271 transaction was developed under the new HIPAA rules – it lets providers use the Internet to query about a client's status – and to get a reply in seconds that includes the correct PIC number and other information billers may need. MAA has posted easy-to-follow directions on the HIPAA Web page about getting 270/271 capability. Visit the MAA site first for directions: ([http://fortress.wa.gov/dshs/maa/dshshipaa/attachments/pdf/JSflyer\\_062404.pdf](http://fortress.wa.gov/dshs/maa/dshshipaa/attachments/pdf/JSflyer_062404.pdf)). Then go to the EDI-Gateway address listed. If you still have questions, contact HIPAA Communications Manager **Becky Boutilier** at [boutibm@dshs.wa.gov](mailto:boutibm@dshs.wa.gov) (By the way, the 270/271 transaction is not only fast – it's free!)

**IS THAT THE ONLY WAY TO GET PIC INFORMATION?** No, but the 270/271 is a dramatic step up from previous systems:

- 1) The Medicaid Eligibility Verification (MEV) system requires providers to register, obtain special equipment, and pay a small fee for each query.
- 2) Calling 1-800-562-6188 or e-mailing MAA (<http://maa.dshs.wa.gov/contact/prucontact.asp>) will also get you a PIC number....eventually. But heavy telephone use can result in long waiting times, and even e-mail sometimes requires a wait of several days.

Down the road, MAA is working on several additional options, including an Interactive Voice Response (IVR) system and a magnetized plastic swipe card. The IVR system could be installed as early as 2005, although the swipe card likely will not be feasible until the new MMIS is in place, probably at the end of 2006.

**WHAT DO ALL THOSE OTHER CODES MEAN ON THE CLIENT COUPON?** A fact sheet on the ID card is available by request from [stevej2@dshs.wa.gov](mailto:stevej2@dshs.wa.gov) You can also check a Medicaid guide at: [http://maa.dshs.wa.gov/CustomerPublications/images/22/22-315/2004/Eligibility\\_Overview](http://maa.dshs.wa.gov/CustomerPublications/images/22/22-315/2004/Eligibility_Overview)

## **HUMAN INTERVENTION (Save these contacts):**

- **RTFT Suggestions, comments and questions:** Diane Weeden, RTFT Project Manager: 360-725-1771 and [weeded@dshs.wa.gov](mailto:weeded@dshs.wa.gov)
- **HIPAA Communication Issues and Questions:** Becky Boutilier, HIPAA Communications Manager, 360-725-2129 or [boutibm@dshs.wa.gov](mailto:boutibm@dshs.wa.gov)
- **Technical claims questions:** Use e-mail form to contact the Provider Relations staff at <http://fortress.wa.gov/dshs/maa/contact/prucontact.asp>
- **Provider publications and fee schedules:** Contact the Publications staff at [crabbjr@dshs.wa.gov](mailto:crabbjr@dshs.wa.gov) or visit that Web page: <http://maa.dshs.wa.gov/>
- **To subscribe or unsubscribe from these bulletins,** contact [stevej2@dshs.wa.gov](mailto:stevej2@dshs.wa.gov)
- **Help a colleague:** Pass this bulletin on to other Washington state providers, billing offices or clinics: you can also subscribe to these bulletins by e-mail: Send your e-mail address to [stevej2@dshs.wa.gov](mailto:stevej2@dshs.wa.gov)

**ON THE WEB:** Tune into the RTFT Web Page at <http://maa.dshs.wa.gov/RTFT>